



**Rules of
Department of Revenue
Division 10—Director of Revenue
Chapter 10—Financial Institutions**

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Title 12—DEPARTMENT OF REVENUE

Division 10—Director of Revenue Chapter 10—Financial Institutions

12 CSR 10-10.010 Sales Tax/Bank Tax Credit

PURPOSE: This rule clarifies that banks are not entitled credit against the bank tax for sales and use taxes paid on purchases of tangible personal property.

(1) Amounts paid by banks as purchasers to vendors pursuant to section 144.060, RSMo are not creditable against the bank tax imposed under section 148.030, RSMo.

(2) Amounts paid by banks as purchasers pursuant to section 144.610, RSMo are not creditable against the bank tax imposed under section 148.030, RSMo.

(3) This rule shall become effective and apply to tax years beginning on or after January 1, 1984.

*Auth: section 148.100, RSMo (1986).**
Original rule filed March 11, 1983,
effective Aug. 11, 1983.

**Original authority 1945.*

12 CSR 10-10.020 Allocation of Bank Tax

PURPOSE: This rule provides a uniform manner for financial institutions to apportion their bank tax among the main bank and the branches. This uniform treatment assures consistent disbursements to the political subdivisions of Missouri.

Editor's Note: The secretary of state has determined that the publication of this rule in its entirety would be unduly cumbersome or expensive. The entire text of the rule has been filed with the secretary of state. The entire text of the rule may be found at the headquarters of the agency and is available to any interested person at a cost established by state law.

(1) The definitions of terms used in this rule are as follows:

(A) Taxable year shall mean the calendar year in which the bank tax is required to be filed and the bank tax is payable;

(B) Income period shall mean the calendar year next preceding the taxable year;

(C) Facility shall have the meaning ascribed to it in sections 362.107 and 362.108, RSMo; and

(D) FDIC Report shall mean the summary of deposits filed with the Federal Deposit Insurance Corporation (FDIC) during the income period pursuant to the *Code of Federal Regulations* 12 CFR 304.3.(q).

(2) The division of the bank tax between the main banking house and facility shall be computed as follows:

(A) General Rule. If a bank maintains or operates one (1) or more facilities, then the bank tax liability of the bank for the taxable year shall be divided among the main banking house and each of the facilities by application of a fraction, the numerator of which is the amount of deposits reported for the main banking house or the facility, in the FDIC Report, and the denominator is the sum of the deposits reported for the bank's main banking house and all of its facilities in the same FDIC Report;

(B) Exception to the General Rule. Where a main banking house or facility is chartered or authorized after the cutoff date for the FDIC Report, records shall be maintained on a calendar quarter basis that indicate the amount of deposits in the new main banking house or facility as of the last day of the calendar quarter in the income period, provided the new banking house or facility was in existence for any part of that calendar quarter. To prorate the deposits, they shall be added together and divided by four (4). The resulting figure shall be the deposits for the new main banking house or facility. The bank tax liability for the taxable year shall be divided among the new banking house or new facility by the application of a fraction, the numerator of which is the amount of deposit for the new main banking house or the new facility as determined in this subsection and the denominator shall be the sum of deposit determined for the denominator under subsection (2)(A) plus the deposits reported for all of each bank's new main banking houses or facilities subject to this subsection; and

(C) Rule for Automated Teller Machines. Automated teller machines (ATMs) that are authorized and operate as facilities are not subject to the FDIC Report. Therefore, deposits through ATMs shall be allocated as follows:

1. If the ATM operates as a facility before the cutoff date for the FDIC Report, the deposit will be hidden in the FDIC Report for all bank locations. The ATM operating as a facility shall report its deposit separately as of the cutoff date for the FDIC Report. The tax liability for the taxable year shall be divided between the ATM operated as a facility and the main banking house and all other facilities by the application of a fraction, the numerator of which is the amount of deposit the bank has separately calculated for the ATM

operated as a facility in the income period and the denominator is the sum of deposits determined for the denominator under subsections (2)(A) and (B). However, this exception requires that the deposit representing the main banking house be reduced by an amount equal to the deposit reported for the ATM operating as a facility;

2. If the ATM operates as a facility only after the cutoff date for the FDIC Report, then the deposit of the facility shall be reported in the same manner deposits are reported for new facilities under subsection (2)(B);

3. If a bank deposit is reported through the use of a thrift, credit union or proprietary ATM system (which the bank does not own or lease), the deposit shall be considered a part of the main banking house deposits; and

4. ATMs that operate as a part of the manned facility or the main banking house shall not be separately reported.

*Auth: section 148.100, RSMo (1986).**
Original rule filed Oct. 15, 1984, effective
Feb. 11, 1985.

**Original authority 1945.*

12 CSR 10-10.030 Statute of Limitations for Bank Tax

PURPOSE: This rule establishes a statute of limitations for the assessment of Bank Tax as set out in Chapter 148, RSMo.

(1) Except as otherwise provided in this rule, an assessment shall be mailed to the taxpayer within three (3) years after the return was filed. No deficiency shall be assessed or collected with respect to the year for which the return was filed unless the notice is mailed within the three (3)-year period or the period otherwise fixed.

(2) If a taxpayer omits from its return an amount of income that is properly includable in its gross income which is in excess of twenty-five percent (25%) of the amount of gross income stated in its return, an assessment may be mailed to the taxpayer within six (6) years after the return was filed. For purposes of this rule in determining the amount omitted, there shall not be taken into account any amount which is omitted in the return if the amount is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the director of revenue of the nature and amount of the item.



(3) If no return is filed or a false or fraudulent return is filed with intent to evade the tax, an assessment may be mailed to the taxpayer at any time.

(4) If a taxpayer fails to report a change or correction in federal taxable income which would increase its tax liability under Chapter 148, RSMo, an assessment may be mailed to the taxpayer within one (1) year after the Business Tax Bureau or Field Audit Bureau of the Department of Revenue shall become aware of the change or correction. A notice under this section shall be limited to the effects of the change or correction.

(5) Where, before the expiration of the time prescribed in this rule for the assessment of a deficiency, both the director of revenue and the taxpayer shall have consented in writing to its assessment after that time, the deficiency may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed may be extended by subsequent agreement in writing made before the expiration of the period previously agreed upon.

(6) For purposes of this rule, a return filed before the last day prescribed by law or by a corresponding rule for the filing of that return shall be deemed to be filed on the last day. If a return for any period ending with or within a calendar year is filed before April 15 of the succeeding calendar year, the return shall be deemed to be filed on April 15 of the succeeding calendar year.

*Auth: sections 148.100, 148.200 and 148.700, RSMo (1986). * Original rule filed July 11, 1985, effective Oct. 11, 1985.*

**Original authority 148.100, RSMo (1945); 148.200, RSMo (1945) and 148.700, RSMo (1982).*

12 CSR 10-10.040 Statute of Limitations for Credit Union and Savings and Loan Association Tax

PURPOSE: This rule establishes a statute of limitations for the assessment of Credit Union and Savings and Loan Association Tax as set out in Chapter 148, RSMo.

(1) Except as otherwise provided in this rule, an assessment shall be mailed to the taxpayer within three (3) years after the return was filed. No deficiency shall be assessed or collected with respect to the year for which the return was filed unless the notice is mailed within the three (3)-year period or the period otherwise fixed.

(2) If a taxpayer omits from its return an amount of income that is properly includable in its gross income which is in excess of twenty-five percent (25%) of the amount of gross income stated in its return, an assessment may be mailed to the taxpayer within six (6) years after the return was filed. For purposes of this rule, in determining the amount omitted, there shall not be taken into account any amount which is omitted in the return if the amount is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the director of revenue of the nature and amount of the item.

(3) If no return is filed or a false or fraudulent return is filed with intent to evade the tax, an assessment may be mailed to the taxpayer at any time.

(4) If a taxpayer fails to report a change or correction in federal taxable income which would increase its tax liability under Chapter 148, RSMo an assessment may be mailed to the taxpayer within one (1) year after the Business Tax Bureau or Field Audit Bureau of the Department of Revenue shall become aware of the change or correction. A notice under this section shall be limited to the effects of the change or correction.

(5) Where, before the expiration of the time prescribed in this rule for the assessment of a deficiency, both the director of revenue and the taxpayer shall have consented in writing to its assessment after that time, the deficiency may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed may be extended by subsequent agreement in writing made before the expiration of the period previously agreed upon.

(6) For purposes of this rule, a return filed before the last day prescribed by law or by a corresponding rule for the filing of that return shall be deemed to be filed on the last day. If a return for any period ending with or within a calendar year is filed before April 15 of the succeeding calendar year, the return shall be deemed to be filed on April 15 of the succeeding calendar year.

Auth: sections 148.100, 148.200 and 148.700, RSMo (1986). Original rule filed July 11, 1985, effective Oct. 11, 1985.

**Original authority 148.100, RSMo (1945); 148.200, RSMo (1945) and 148.700, RSMo (1982).*

12 CSR 10-10.050 Statute of Limitations for Credit Institutions Tax

PURPOSE: This rule establishes a statute of limitations for the assessment of Credit Institutions Tax as set out in Chapter 148, RSMo.

(1) Except as otherwise provided in this rule, an assessment shall be mailed to the taxpayer within three (3) years after the return was filed. No deficiency shall be assessed or collected with respect to the year for which the return was filed unless the notice is mailed within the three (3)-year period or the period otherwise fixed.

(2) If a taxpayer omits from its return an amount of income that is properly includable in its gross income which is in excess of twenty-five percent (25%) of the amount of gross income stated in its return, an assessment may be mailed to the taxpayer within six (6) years after the return was filed. For purposes of this rule, in determining the amount omitted, there shall not be taken into account any amount which is omitted in the return if the amount is disclosed in the return, or in a statement attached to the return, in a manner adequate to apprise the director of revenue of the nature and amount of the item.

(3) If no return is filed or a false or fraudulent return is filed with intent to evade the tax, an assessment may be mailed to the taxpayer at any time.

(4) If a taxpayer fails to report a change or correction in federal taxable income which would increase its tax liability under Chapter 148, RSMo, an assessment may be mailed to the taxpayer within one (1) year after the Business Tax Bureau or Field Audit Bureau of the Department of Revenue shall become aware of the change or correction. A notice under this section shall be limited to the effects of the change or correction.

(5) Where, before the expiration of the time prescribed in this rule for the assessment of a deficiency, both the director of revenue and the taxpayer shall have consented in writing to its assessment after that time, the deficiency may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed may be extended by subsequent agreement in writing made before the expiration of the period previously agreed upon.

(6) For purposes of this rule, a return filed before the last day prescribed by law or by a corresponding rule for the filing of that return, shall be deemed to be filed on the last day. If a return for any period ending with or within a

calendar year is filed before April 15 of the succeeding calendar year, the return shall be deemed to be filed on April 15 of the succeeding calendar year.

*Auth: sections 148.100, 148.200 and 4148.700, RSMo (1986).** Original rule filed July 11, 1985, effective Oct. 11, 1985.

**Original authority 148.100, RSMo (1945); 148.200, RSMo(1945) and 4148.700, RSMo(1982).*

12 CSR 10-10.060 Multiple Assessments of Credit Unions and Savings and Loan Associations for a Single Year

PURPOSE: This rule clarifies that the director of revenue may issue multiple assessments against a taxpayer for a given period on separate issues.

(1) The director of revenue may issue multiple assessments against the taxpayer for a single taxable year pursuant to section 148.680, RSMo when the director determines, based on separate findings or evidence adduced at the hearing provided in section 148.680, RSMo that the correct amount of the tax is greater than that tax computed by the taxpayer. The director, upon making the determination, shall notify the taxpayer by certified mail. The director will state on each assessment the reason for which it is issued. The taxpayer may seek independent review of each determination of the director of revenue by the Administrative Hearing Commission.

(2) Example: The taxpayer files a return for the taxable year and remits an underpayment of the tax for the period. The director determines based on the return and payment that the correct amount of the tax is greater than that remitted by the taxpayer and issues an assessment for the underpayment. At a later date, an audit conducted by the Department of Revenue of the credit union or savings and loan reveals additional findings based on separate issues not associated with the underpayment and the director determines that the correct amount of the tax is greater than that previously computed and based on these findings issues a separate assessment for the same taxable year. The taxpayer may seek independent review of each assessment by the Administrative Hearing Commission. The first assessment generated will be for the amount of the underpayment and will contain the language underpayment as the basis for the assessment. The second assessment for the same taxable period will be based on the audited findings and will contain the language

additional audit findings as the basis for the assessment.

*Auth: section 148.700, RSMo (1986).** Original rule filed Sept. 16, 1985, effective Dec. 26, 1985.

**Original authority 1982.*

12 CSR 10-10.070 Extension of Time to File Credit Unions and Savings and Loan Associations Tax Returns

PURPOSE: This rule clarifies the procedures for filing request for extensions of time to file for Credit Unions and Savings and Loan Associations tax returns.

(1) Reasonable extension of time to file under sections 148.610—148.710, RSMo is defined by the director of revenue to mean a period not to exceed one hundred eighty (180) days from the due date, April 15, for each taxable year. The extension request shall include either a copy of Extension of Time to File, Form 7004, filed with the federal government or the Missouri Application for Extension, Form 60. The request shall clearly state the reason for extending the filing date. The extension shall be granted only if it has been filed on or before the due date of the return. The extension shall be deemed granted unless denied in writing by the director of revenue. The extension may be denied or suspended at any time upon written notice to the applicant by the director of revenue.

(2) Any taxes not paid before the original due date shall bear interest computed in accordance with section 148.640, RSMo.

(3) The return shall be filed and all unpaid taxes plus interest shall be remitted on or before the last day of the extension.

*Auth: section 148.700, RSMo (1986).** Original rule filed Sept. 16, 1985, effective Dec. 26, 1985.

**Original authority 1982.*

12 CSR 10-10.080 Multiple Assessments of Credit Institutions for a Single Year

PURPOSE: This rule clarifies that the director of revenue may issue multiple assessments against a taxpayer for a given period on separate issues.

(1) The director of revenue may issue multiple assessments against the taxpayer for a single taxable year pursuant to section 148.190,

RSMo when the director determines, based on separate findings, that the correct amount of the tax is greater than that tax computed by the taxpayer. The director, upon making the determination, shall notify the taxpayer by certified mail. The director will state on each assessment the reason for which it is issued. The taxpayer may seek independent review of each determination of the director of revenue by the Administrative Hearing Commission.

(2) Example: The taxpayer files a return for the taxable year and remits an underpayment of the tax for the period. The director determines, based on the return and payment, that the correct amount of the tax is greater than that remitted by the taxpayer and issues an assessment for the underpayment. At a later date, an audit conducted by the Department of Revenue of the credit institution reveals additional findings based on separate issues not associated with the underpayment and the director determines that the correct amount of the tax is greater than that previously computed and based on these findings issues a separate assessment for the same taxable year. The taxpayer may seek independent review of each assessment by the Administrative Hearing Commission. The first assessment generated will be for the amount of the underpayment and will contain the language underpayment as the basis for the assessment. The second assessment for the same taxable period will be based on the audited findings and will contain the language additional audit findings as the basis for the assessment.

*Auth: section 148.200, RSMo (1986).** Original rule filed Sept. 16, 1985, effective Dec. 26, 1985.

**Original authority 1945.*

12 CSR 10-10.090 Extension of Time to File Credit Institutions Tax Returns

PURPOSE: This rule clarifies the procedures for filing request for extensions of time to file for credit institution tax returns.

(1) Reasonable extension of time to file under sections 148.120—148.230, RSMo is defined by the director of revenue to mean a period not to exceed one hundred eighty (180) days from the due date, April 15, for each taxable year. The extension request shall include either a copy of Extension of Time to File, Form 7004, filed with the federal government, or the Missouri Application for Extension, Form 60. The request shall clearly state the reason for extending the filing date. The extension shall